

Newspaper: Providence Journal

Date: July 11, 2007

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Town considers buybacks to cut healthcare costs

Johnston could save healthcare expenses by inducing workers to enroll in other plans.

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JOHNSTON — Mayor Joseph M. Polisena's newly approved budget plan details the cost of each town employee, from salary

JOHNSTON | and dental insurance, to a perk known as the healthcare coverage buyback.

In an era of spiraling healthcare costs, it's quite common for

towns and cities — and even many companies in the private sector — to give employees an incentive for declining health benefits.

The right amount of money can encourage a worker to make use of someone else's benefit package and save big money. In Johnston, for example, the government might sidestep paying \$17,295 in health expenses by ponying up \$8,600 for a buyback.

Still, some taxpayers are offended by the notion of government employees — particularly political appointees — receiving such buyouts, especially if those new employees already qualify for publicly financed health benefits or retirement pensions.

However, a review of Polisena's budget shows that most of his lieutenants are not due to receive any healthcare benefits or buyouts.

The chief of staff, Robert Parker, a former Warwick firefighter receiving a disability pension

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from that town, is one such example. Fire Chief Andrew J. Baynes, a former firefighter, is doing the same thing.

The mayor, another former firefighter, would qualify for the buyout in the contract for workers in Johnston Town Employees, Local 1491.

The contract says that each worker has a chance to choose a cash payment instead of health and dental insurance. The payment must equal 50 percent of the insurance cost.

The budget for the fiscal year

that started July 1 does not show the mayor any such buyout, or any medical insurance either. He is budgeted for \$902 in dental coverage.

Overall, the town plans to pay about \$272,000 for buyouts to 37 employees, according to a budget record. The cost of healthcare coverage that the town might otherwise pay for those employees is \$548,549, says the record, which deduces the total savings to \$276,434.

Also, the \$272,000 in buyout expenses will be diminished by

the collection of about \$134,000 due to the co-pays that employees contribute to the program.

Among the different government divisions, the Police Department has the highest number of employees receiving buyouts. Seven police officers, including Police Chief Richard S. Tamburini, are collecting buyouts. Tamburini's reimbursement is \$8,168.

Meanwhile, Polisena's budget also shows the cost of health benefits allocated to members of the

Buyback

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Town Council.

Councilman Ernest F. Pitochelli is scheduled for family health coverage at a cost of \$14,376.

No coverage is planned for Councilman Joseph A. Wells, Councilman Gabriel N. DeFeo, and Councilwoman Stephanie P. Manzi.

The council's chairman, Robert V. Russo, is budgeted for the family health plan, as he has been in past years. However, Russo recently told the town that he wants to decline the benefit, according to the town's finance director, Stephen Woerner.

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